



Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of )  
 )  
Application by SBC Communications Inc., )  
Pacific Bell Telephone Company, and ) WC Docket No. 02-306  
Southwestern Bell Communications Services, )  
Inc. for Provision of In-Region, InterLATA )  
Services in California )

REPLY AFFIDAVIT OF  
MICHAEL E. FLYNN, GINGER L. HENRY AND GWEN S. JOHNSON

REGARDING BILLING

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#### **Schedule of Attachments**

- Attachment A** Excerpt from Mpower Bill – CLLI code and Zone assignment associated with loop (Confidential)
- Attachment B** Excerpt from Mpower Bill – Customer Service Record information (Confidential)
- Attachment C** Excerpt from Mpower Bill – Other Charges and Credits section (Confidential)
- Attachment D** Mpower Faxed LSR (Confidential)

The undersigned, being of lawful age and duly sworn upon our oaths, do hereby depose and state as follows:

**INTRODUCTION**

1. My name is Michael E. Flynn. I am Director-Billing Project Management for SBC Services supporting Pacific Bell Telephone Company (“Pacific”) and Nevada Bell Telephone Company (“Nevada”). My background and qualifications are provided in my initial affidavit regarding Pacific’s billing systems, which was filed in this proceeding (App. A, Tab 7) (“Flynn Aff.”).
2. My name is Ginger L. Henry. My business address is 200 Center Street Promenade, Room 800, Anaheim, California. I am the General Manager, LSC South for Pacific Bell Telephone Company and Nevada Bell Telephone Company. My background and qualifications are provided in my initial affidavit regarding Pacific’s LSC, which was filed in this proceeding (App. A, Tab 10) (“Henry Aff.”).
3. My name is Gwen S. Johnson. My background and qualifications are provided in my initial affidavit concerning Pacific’s wholesale performance, which was filed in this proceeding September 20, 2002 (App. A, Tab 12).

**PURPOSE OF AFFIDAVIT**

4. Pacific provides CLECs with timely, auditable and accurate bills in compliance with the requirements of the Act. This affidavit responds to the belated complaints of Mpower Communications Corp. (“Mpower”), Telscape Communications Inc. (“Telscape”) and Vycera Communications, Inc. (“Vycera”)

that Pacific's wholesale bills fail to meet the requirements of the Act. Although none of these carriers provide any specifics in support of their claims, Pacific has done its best to identify and respond to the issues to which it believes these CLECs are referring.

5. The complaints made by Mpower, Telscape and Vycera do not rebut Pacific's showing that it provides timely, auditable and accurate bills in compliance with the requirements of the Act. Many of the disputes referenced by these CLECs have been resolved, and do not reflect on the quality of Pacific's billing systems at the time this Application was filed. Further, despite purported dissatisfaction with their bills and Pacific's handling of their disputes, these CLECs did not raise any significant billing complaints to the CPUC during the state 271 proceeding. Nor have they sought to resolve these issues through the arbitration processes outlined in their interconnection agreements, or to take advantage of the dispute resolution processes provided by the CPUC. Pacific has worked with these CLECs to resolve their billing issues on a business-to-business, operational basis, believing – until these comments were filed – that Mpower, Telscape, and Vycera were generally satisfied with the handling of their claims.

**PACIFIC'S BILLS ARE TIMELY**

6. No CLEC challenges that Pacific's bills are provided on a timely basis. For example, Pacific has returned 100% of all mechanized bills provided to CLECs within the established standard of 10 days for each of the past eight months, and for

eleven of the past twelve months.’ Similarly, Pacific provides daily usage records, on average, in less than two days. Based on performance results from Measure 28 (Usage Timeliness)’ for the past five months (May through September 2002), daily usage records (for resale, unbundled network elements and meet point billing) were transmitted to CLECs, on average, in 1.51 days. In comparison, during the same time period daily usage records for Pacific’s retail accounts were made available ,on average, in 2.85 days. In fact, the parity standard has been achieved for each submeasure in Measure 28 in each of the last ten months.

### PACIFIC’S BILLS ARE AUDITABLE

#### Pacific Provides Electronic Bills in Industry Standard Format

7. The Affidavit of Michael E. Flynn established that Pacific’s CRIS and CABS billing systems **are** designed to provide CLECs with timely and accurate billing in compliance with the requirements of the Act. Mpower’s allegation that Pacific’s bills are “effectively unauditable” is not credible. The Flynn Affidavit established that CLECs may elect to receive their bills in paper format, electronic media, or both. *See* Flynn Aff. ¶¶ 13-14. Electronic CABS bills (for UNE CLECs) follow the industry standard Billing Output Specification (“BOS) guidelines, while CRIS bills (for resellers), also follow industry standards. CABS and CRIS

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<sup>1</sup> Wholesale bill timeliness is assessed by submeasures within Measure 30 (Wholesale Bill Timeliness) for the billing elements of Resale (Submeasure 30-00100 – Wholesale Bill Timeliness – Resale), Unbundled Network Elements (Submeasure 30-00200 – Wholesale Bill Timeliness – Unbundled), and Facilities/Interconnection (Submeasure 30-00300 – Wholesale Bill Timeliness – Facilities/Interconnect). According to the performance data for each of these submeasures, Pacific provided bills to CLECs within 10 days 100% of the time from February 2002 through September 2002.

<sup>2</sup> Daily usage feed timeliness is assessed in Measure 28 in the following submeasures: Submeasure 28-00200 (Usage Timeliness – Resale); Submeasure 28-00300 (Usage Timeliness – Unbundled) and Submeasure 28-00500 (Usage Timeliness – Meet Point).

electronic bills can be loaded, read and audited electronically. As part of the OSS test, Cap Gemini tested Pacific's BOS bill and determined that the bills conform to the detail and format of the BOS specifications.

8. Mpower, Vycera and Telscape all have chosen to receive their bills in electronic format. Mpower and Telscape also receive complete paper versions of their CABS bills, which contain the same information provided in the electronic bills. CLECs may treat either the electronic or the paper bill as the "bill of record;" that is, they may file billing disputes with Pacific based on data from either the electronic or paper bill. Given that Mpower has the ability to review and analyze its bills electronically, Pacific does not understand why Mpower chose to reference "25,000 pages of loop bills" in its comments. *See* Mpower Comments at 5.

#### **Zone Assignment Issue**

9. In its October 21st ex parte, Mpower claims that its bills do not identify loops by CLLI code, "which identify the central offices ("COs") where the loops terminate." Affidavit of Mark S. Kazmierski ¶ 4, *attached to* Ex Parte Letter from Marilyn H. Ash, Mpower, to Michael K. Powell, Chairman, FCC (Oct. 21, 2002) ("Kazmierski Aff."). Accordingly, Mpower claims, it is "extremely difficult for Mpower to verify the zones in which the loops are located and thus, the appropriate rate." *Id.*
10. Mpower's allegations are incorrect. Pacific's bills do identify the CLLI codes for Mpower's loops, thus enabling Mpower to verify the zones in which its loops are located. Attachment A to this affidavit contains an excerpt from the Mpower bill dated September 1, 2002. The information in bold on line 23 reflects the circuit

- ID for a particular loop; the central office serving the end user is identified in bold by CLLI code at line 34;) and the USOC and zone assignment for the loop appear in bold at line 38. This information is provided to Mpower in the Customer Service Record (“CSR”) section of the bill, for each loop billed in a given month.
11. Pacific has also worked with Mpower to verify that the zone assignments for its loops are correct. After Mpower requested to implement billing at the geographically Deaveraged Loop Rate,<sup>4</sup> Mpower submitted a list of approximately **30** loops that it contended had been improperly assigned to Zone **2**. On review, Pacific determined that the Central Offices serving those loops were correctly rated as Zone **2**. When Pacific advised Mpower that the subject loops were correctly rated, Mpower responded by requesting that Pacific validate the zone assignments for approximately \*\*\* loops which it contended were erroneously billed. Pacific reviewed the assignment on 50 of these loops and advised Mpower that the assignment was **correct**.<sup>5</sup>

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<sup>3</sup> The abbreviation “CKL 02,” which appears at line **34** of the bill page (Attachment A at 1) refers to the “Circuit Location” Field Identifier (“FID”) of the central office serving the end user. The Office Common Language Code (“OCL”) FID (which follows CKL 02) precedes the 8 character CLLI code for the central office serving the end user. The Zone assignment for the loop is based on **this** central office location.

<sup>4</sup> This request was implemented for July 1, 2002 billing, retroactive to March 1, 2002.

<sup>5</sup> Mpower also claims that its bills contained zone assignments **for** its loops prior to July 2002 and **that**, when it converted to deaveraged rates, Pacific “suddenly, with no notice or supporting documentation” reassigned approximately 25% of those loops from Zone 1 to the more expensive Zone 2 rates. Kazmierski Aff. ¶ 7. Although Mpower purports to have an “internal study” that support its claims (*id.* ¶ 8), no such study **has** been provided to Pacific, nor **was** it provided as evidence in this proceeding. In response to Mpower’s initial comments in this proceeding, Pacific sampled more than 100 circuits from Mpower’s May and June 2002 bills (when statewide average billing was in place), none of which were associated with a zone assignment. Attachment B contains a page from the CSR section of Mpower’s June 1 bill, showing **no** zone assignment for the circuit in question, and a page from the July 1<sup>st</sup> bill showing a zone assignment for the same circuit. Pacific is unaware of any zone assignments for Mpower’s loops other than the assignments currently appearing on Mpower’s bills. It was not until October 21, 2002 – after filing its comments and an ex parte in **this** proceeding – that Mpower first submitted billing disputes to Pacific relating to allegedly incorrect zone assignment. To date, Pacific has discovered no incorrect zone assignments on the circuits which it has reviewed in connection with those disputes.



12. To validate the zone assignments reflected on its bill are correct, Mpower can compare the zone assignments for the central offices serving its end-users as reflected on its bill with the zone assignments ordered by the California PUC, which are available in Accessible Letters CLEC00-039 (Feb. 16, 2000) (App. G, Tab 26) and CLEC00-116 (May 1, 2000) (App. G, Tab 29). These assignments also were appended to the CPUC's February 21, 2002 *Order Adopting Geographically Deaveraged Unbundled Network Rates for Pacific Bell Telephone Company*, Decision 02-02-047 (App. C, Tab 75). Thus, Pacific has provided Mpower with access to all of the information necessary to enable it to determine whether its loops *are* being billed at the appropriate rates.

#### **PACIFIC'S DISPUTE RESOLUTION PROCESS**

13. Mpower, Telscape and Vycera all complain at various points in their comments concerning Pacific's dispute resolution process. Pacific's billing dispute resolution process is well documented, and set out in detail in the Pacific Bell/Nevada Bell ("PB/NB") – Billing Adjustments Section of the CLEC Handbook. Henry Aff. ¶¶ 46-47. Among other things, this section of the CLEC Handbook provides detail on how to submit a billing dispute; instructions for completing the standard dispute form; a general timeline for dispute resolution; and escalation procedures in the event the CLEC is not satisfied with the result of Pacific's investigation. This process was developed with CLEC input through workshops and billing forums conducted by the CPUC as part of the 271 collaborative process. CLECs have avenues other than the LSC billing team to

seek information and to raise questions concerning Pacific's billing practices, such as their Pacific Account Team representatives and the CLEC User Forum. However, such inquires do not constitute the submission of a billing dispute. As set out in detail below, Pacific's dispute resolution process has worked well to address the specific complaints raised by the CLECs in this proceeding.

**Deaveraged Loop Rate and Credit Issue**

14. As noted above, Mpower's billing was converted to deaveraged loop rates July 1, 2002. At the same time, Pacific also converted Mpower's embedded base to deaveraged rates back to March 1, 2002. Mpower alleges that Pacific inappropriately applied the adjustments associated with its retroactive loop conversion, and that "it was extremely difficult to audit what PacBell had done." Kazmierski Aff. ¶ 9. Mpower specifically complains that the credits were put into the Other Charges and Credits ("OC&C") section of the bill without "adequate identifying information." *Id.* Again, both of these claims are incorrect.
15. On August 1, 2002, Mpower submitted a billing dispute, claiming that Pacific did not appropriately apply the credit for deaveraged loop rates referenced above. The LSC denied and closed this claim on August 21, 2002, after determining Mpower's July bill had been credited accurately.
16. In addition, the OC&C section of Mpower's bill provided all the information necessary for Mpower to reconcile the credit with prior billing. According to BOS specifications, rate changes and service order activity that change monthly charges (such as the credit in question) should be displayed in the OC&C section of the CABS bill. (Vol 1, Part 2, § 16.02). Attachment C to this affidavit is a page

from the OC&C section of the Mpower July bill. Line 55 reflects a unique service order number and the associated wording “RENEGOTIATED CHG,” which applies to the conversion of the circuits to deaveraged rates. Circuit identification, the amount adjusted, and the effective date of the rate change are also provided for each circuit that was converted retroactively on this order number. **As** Attachment C demonstrates, the OC&C provides all of the detail necessary to reconcile all retroactive credits applied to a given bill at a very detailed level.

17. Telscape complains that when it began ordering UNE-P lines, Pacific charged it the statewide average loop rates, rather than the deaveraged rates. *See* **Ex Parte** Letter from Russ Buntrock, Telscape, to Marlene Dortch, Secretary, FCC, at 3 (Oct. 18, 2002) (“Telscape Oct. **18 Ex Parte**”); **Ex Parte** Letter from Russ Buntrock, Telscape, to Marlene Dortch, Secretary, FCC, at 7 (Oct. 24, 2002) (“Telscape Oct. **24 Ex Parte**”). Telscape’s UNE-P billing was established in October 1999 at the statewide loop rate; Telscape’s first UNE-P line became effective \*\*\*

\*\*\*. Subsequently, on March 20, 2002, Telscape complained it was being billed at the incorrect rate. On review, Pacific agreed to bill Telscape deaveraged rates moving forward, to convert Telscape’s embedded base to those rates, and to adjust Telscape’s past billing to deaveraged rates.

18. The deaveraged rate credit was applied to Telscape’s May 26, 2002 invoice. Telscape then complained that the amount of credit applied was lower than it had anticipated. After investigating, Pacific determined the deaveraged rate credit had

not been applied to loops that had disconnected prior to the conversion. The additional adjustments were manually credited to Telscape's August 26, 2002 bill.

### Manual Service Order Charges

19. Mpower and Telscape complain they have been billed erroneous non-recurring charges for the manual handling of service orders. Mpower, for example, claims that it is "routinely billed for manual ordering charges, appropriate to faxed orders," and that "Mpower does not fax its orders to PacBell." Affidavit of Scott Sarem ¶ 5, *attached to* Ex Parte Letter from Marilyn H. Ash, Mpower, to Michael K. Powell, Chairman, FCC (Oct. 21, 2002) ("Sarem Aff."); Mpower Comments at 6. Contrary to Mpower's claims, its service representatives do fax local service orders ("LSRs") to the LSC for manual handling. A copy of one such LSR, faxed to the LSC by Mpower on July 12, 2002, is Attachment D to this affidavit. The manual order charge appropriately applies to any such faxed LSRs. In any event, Pacific has reviewed Mpower's bills for the months of July 2002 through September 2002 and found a total of \*\*\* in billing for manual ordering charges – or less than 0.4% of Mpower's total bill for those months.
20. Pacific has discussed the charges for manual service order handling with Mpower, including recommendations on how Mpower can improve the flow through of its orders to avoid manual and semi-mechanized charges (which apply when an otherwise flow through eligible order falls out for manual handling due to CLEC order entry error). Specifically, Pacific's LSC Service Management Team has compiled data and provided feedback to Mpower on errors resulting in rejects and fall out for manual handling. On a monthly basis, the LSC provides Mpower with a

report identifying these key errors to assist Mpower in improving the accuracy of its LSRs, therefore preventing rejects and manual handling charges.

21. Telscape claims it has been incorrectly billed the semi-mechanized rate for internal migrations of its end-users from resale to UNE loop or from UNE-P to UNE loop. See Telscape Oct. 18 ~~Ex~~ Parte at **4**. Although Pacific repeatedly has advised Telscape why its internal migrations to UNE loop services are not flow-through eligible, and although that information is clearly set out in the CLEC handbook, Telscape nonetheless continues to submit frivolous disputes seeking reimbursement for semi-mechanized charges relating to such conversions. Since April 2002, Telscape has submitted at least 8 separate billing disputes on service order charges for internal migrations, and has 21 other pending disputes concerning semi-mechanized charges it contends should have been billed at the fully mechanized rate.<sup>6</sup>

#### **End User Return Disconnect Issues**

22. Both Mpower and Telscape complain that Pacific inappropriately charged CLECs the manual rate for disconnection of the end user from the CLEC when the end user selects Pacific as its local carrier (~~an~~ “end-user return”). **See** Mpower Comments at **6**; Sarem Aff. ¶ 4; Telscape Oct. 18 Ex Parte at **3**. In the January 30, 2002 CLEC Users’ Forum, Telscape questioned why it was being billed a manual rate on such orders. On an end-user return, Pacific initiates the disconnect order on behalf of the CLEC. Because this requires manual handling, the semi-mechanized rate (*i.e.*, the

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<sup>6</sup> Contrary to Telscape’s contention, Pacific has not reversed its position on internal migrations, nor has it agreed to adjust Telscape’s charges to the fully mechanized rate. In April 2002, Pacific inadvertently applied a credit for Telscape on one such claim. Pacific subsequently advised Telscape that a mistake had been made in crediting the claim and that no such adjustments would **be** applied in the future.

rate that applies to LSRs that are sent electronically, but require manual handling to process) was charged. However, upon review, Pacific determined that if a CLEC were to initiate the disconnect on its own behalf, the order would be flow-through eligible. Accordingly, Pacific agreed that it would apply the fully mechanized rate to UNE-P end user return disconnects moving forward. This change was effective February 28, 2002.<sup>7</sup> Pacific subsequently implemented billing at the fully mechanized rate for UNE Loop end user return disconnects effective July 11, 2002.

23. Mpower complains it is unable to tell whether Pacific is billing it correctly for disconnects related to end-user returns. Sarem Aff. ¶ 4. In fact, that information is readily available to Mpower. Before any loop is disconnected as part of an end-user return, the CLEC must send a firm order confirmation (“FOC”) to Pacific with the circuit ID number of the loop, authorizing Pacific to submit the disconnect order on the CLEC’s behalf. The billing for service order charges associated with an end-user return appears on the CLECs’ bill with both a PON (which includes the end user’s TN) and the circuit ID number of the circuit. Mpower can reconcile its billing by comparing the information provided on its FOC (authorizing the disconnect) to the PON and/or circuit ID information provided on the bill.

#### **Universal Lifeline Telephone Service (“ULTS”) Migrations**

24. Telscape also complained in the January 30, 2002 CLEC Users’ Forum meeting that Pacific billed the semi-mechanized service order charge on migrations of Pacific’s

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<sup>7</sup> Contrary to Telscape’s comments, Pacific did not agree to “automatically credit all CLECs the amount they were aggrieved” for end user disconnect charges. *See* Telscape Oct. 24 Ex Parte at 8. Rather, Pacific agreed to conduct a billing review for CLECs with past-billed amounts at the semi-mechanized rate for UNE-P end user return disconnects, and to develop and negotiate adjustment offers for those CLECs through the account team. Pacific is now working through that process. An agreed-upon credit has been negotiated with Telscape.

retail subscribers with the ULTS discount to a CLEC UNE loop with Local Number Portability (“LNP”). Service orders for this type of migration are not flow-through eligible, and therefore are appropriately billed at the semi-mechanized rate.

However, because migrations of ULTS subscribers to either UNE-P or resale are flow-through eligible, and therefore are billed at the fully mechanized rate, effective February 26, 2002 Pacific began billing conversions to UNE loop with LNP at the mechanized rate **as** well. Pacific also agreed to credit Telscape for the fully mechanized rate on such migrations back *to* April 27, 2001.

#### Maintenance and Repair Issues

25. Mpower alleges that Pacific’s maintenance and repair charges are “so poorly tracked” that the parties had to agree to an “arbitrary formula for setting a reasonable figure.” Mpower Comments at 6. On **July 25, 2000**, Mpower submitted a dispute contending it had been improperly billed for labor and maintenance charges. Although Mpower’s original dispute was denied, in April 2001, the parties agreed that Pacific would continue to bill Mpower at the tariffed rate for these labor charges but that, upon submission of a billing dispute, 50% **of** the charges would be credited back to Mpower. The parties entered into **this agreement** during the course **of** negotiating an amendment to Mpower’s ICA related to the charges in question, and it was intended as an interim arrangement. Mpower opted into a new ICA effective September 6, 2001. However, it continued to submit requests for adjustment on these charges, which Pacific continued to authorize. Pacific is reviewing the continuation of this process.

### Disconnected Line Charges

26. Mpower claims it is billed erroneously for disconnected lines. Sarem Aff. ¶ 7. In **January** 2002, Mpower submitted a billing dispute claiming that certain circuits located in San Jose, California were continuing to be billed after Mpower had requested they be disconnected. The LSC investigated the circuits identified by Mpower, and found them to be active and in service. The LSC also was unable to locate any LSR sent by Mpower requesting disconnection of the circuits in question. Pacific subsequently denied and closed Mpower's dispute, advising Mpower that it must submit an LSR in order to disconnect the circuits. No **further** billing disputes related to disconnected lines has been received from Mpower since that time.

### Billing for Late Charges

27. Telscape provides no detail that would allow Pacific to investigate its claims that it is being billed incorrect late charges. *See* Telscape Oct. 18 **Ex Parte** at 3; Oct. **24 Ex Parte** at 11. Telscape has filed no billing dispute with Pacific related to late charges. Pacific is unable to respond to Telscape's claim.

### Tariff Issues

28. In its comments, Vycera claims it has been billed for tariff increases prior to the effective date of the tariff and, conversely, that tariff decreases are not applied to its bills. Vycera Comments at 11. Pacific believes this complaint refers to a dispute regarding a tariff rate increase for "pay-per-use" custom calling features that went into effect on June 2, 2000. In that month, Pacific incorrectly billed both CLECs and its retail subscribers the rate that applied as of the bill date, rather than the rate in effect at the time the pay-per-use feature was activated. This issue **was** identified,



corrected and the appropriate credits were applied to both retail and resale accounts in July 2000.

**Anonymous Call Rejection**

29. In the fourth quarter 2001, Vycera submitted a dispute claiming it was erroneously being billed for Anonymous Call Rejection, a free service when ordered with Caller ID. Because Vycera only provided examples of disconnected accounts, Pacific could not substantiate Vycera's claim. Pacific then referred this issue to the billing systems group for further investigation. The billing system technical personnel retrieved and reviewed live accounts for evidence of this claim in addition to reviewing the billing system logic. No evidence was identified to support this dispute. Although Pacific could not recreate the error claimed by Vycera, Pacific nonetheless agreed to adjust a reduced amount on its claims in order to avoid the additional time and expense of continuing to dispute the issue.

**Double Billing/Resale Discount Issue**

30. Once Pacific determines that a billing dispute related to a systems issue is valid, it must both fix the problem for billing on a going forward basis, and arrange to apply the appropriate credit to the CLEC's bill for the impacted period of time. This process can take time, depending on the need for and complexity of any programming, testing or other system changes that are required. As noted in the initial affidavit of Michael Flynn, a full billing systems software development cycle can take as long as six months from the receipt of the billing requirements on more complex changes, while simpler changes (e.g., table changes) can take less time. See Flynn Aff. ¶ 11.

31. Vycera filed a billing dispute in April 2001, claiming it was being double billed for custom calling features on single line accounts, and another in May 2001, claiming certain services such as “the ‘works’ package” were being billed without the appropriate resale discount. Vycera Comments at 11. Pacific worked these claims in tandem.
32. Because all of the examples that Vycera provided for the double billing issue were for disconnected accounts from June, 2000, Pacific initially was unable to validate a billing system error existed. However, after continued investigation, Pacific discovered that a double billing error had existed and, in fact, had been corrected the year before during the December 2000 regular, bi-monthly billing software release.<sup>8</sup> **This** error impacted CLECs ordering the custom calling features in question between December 1999 and December 2000.
33. Resolution of the resale discount billing issue required the development of a billing system correction outside of the regular, bi-monthly billing software releases. Consistent with the description of the complexity of the billing systems software development cycle mentioned above, the correction was implemented in December 2001. With this correction, the resale services in question are being billed at the appropriate rates.
34. Mechanized adjustments to active accounts for both the double billing and resale discount errors were applied to the bills for all impacted CLECs. Although mechanized adjustments for active accounts were programmed in January 14, 2002,

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<sup>8</sup> Apparently, the programming for the December 2000 release corrected a billing issue which Pacific **was** not aware **existed**.

- due to a system anomaly the adjustments did not appear on CLEC bills until March 2002.
35. Residual credits had to be applied manually for accounts that no longer appeared in the billing system. To complete such an adjustment, the LSC billing team was faced with the task of manually reviewing more than 185,000 billing telephone number (“BTN”) records, to determine the identity of the serving CLEC and to apply credits where appropriate. In order to streamline and shorten the time required for such a massive effort, Pacific developed a mechanized tool to facilitate the adjustment process. Using this tool, manual adjustments for Vycera’s double billing errors were completed in September 2002; while manual credits for the resale discount error posted to Vycera’s account in October 2002. Manual adjustments for the remaining impacted CLECs are in progress.
36. While Pacific certainly wishes these issues could have been resolved more quickly, the fact remains that these were complicated matters to address and Pacific worked as expeditiously as possible to complete the required work and post credits for all impacted CLECs.

**PACIFIC’S BILLS ARE ACCURATE**

37. Pacific does not claim to have perfect bills and, as this Commission has recognized, some level of dispute over billing is only to be expected given the volumes of transactions and the complexity of the services provided. *See Pennsylvania Order ¶ 26, n.93.* Viewed against the total volume of wholesale bills Pacific provides on a monthly basis, the narrow disputes raised by Mpower, Telscape and Vycera are on

their face insufficient to raise serious questions about Pacific's billing systems **and** processes. Indeed, over the last three months (July 2002 – September 2002), Pacific **has** issued total CLECs credits of approximately 1.4% on billing of more than \*\*\*  
\*\*\* on CRIS-billed resale and CABS-billed CLEC products. The low percentage of adjustments Pacific has made over this period demonstrates that the overwhelming majority of Pacific's wholesale bills were accurate in the first place.

- 38.** Pacific's performance data also reveal the accuracy of its wholesale bills. Pacific reports results on four measures related to the accuracy of its wholesale bills: Usage Completeness (Measure 31), Recurring Charge Completeness (Measure 32), Non-Recurring Charge Completeness (Measure 33), and Bill Accuracy (Measure 34). These measures track the accuracy and timeliness of the individual billing elements on the CLEC's bill, as well as overall bill accuracy, and are further disaggregated into fifteen submeasures by product type (including resale, unbundled network elements and facilities/interconnection).
- 39.** Bill credits reflecting an inaccuracy on a prior bill **are** captured in performance results in the month the credit is issued, not in the month associated with the bill – that is, a credit for over-billing in June that is issued in November will appear in the November performance data. Accordingly, it is possible for the performance measurement results to be skewed by the payment of a large credit in a single month that is actually attributable to bills rendered over many months. Even so, from May through September 2002, Pacific met the established standard in every month for each of the submeasurements in Measures 31, 33 and 34, and in at least three of the

past five months for each of the submeasurements in Measure 32.<sup>9</sup>

40. In its October **25,2002** ex parte, Vycera expresses a concern that, when an adjustment to its bill is required as the result of a billing dispute, the adjustment may not be reflected in Pacific's billing measures.“ *See* Ex Parte Letter from Patrick Donovan, *et al.*, Vycera, to Marlene Dortch, Secretary, FCC (Oct. **25,2002**). That is *not* the case. Billing adjustments are tracked in Measures 33 or Measure 34, depending on whether the adjustment is made on a manual or mechanized basis. Mechanized adjustments are used to correct billing system errors (as described above) and appear as one-time credits on the CLEC's bill. Such one-time credits are billed together With other non-recurring charges, and are reported in Measure 33 (Non-recurring Completeness). ~~Manual~~ adjustments are completed by the LSC billing team (as discussed above) and appear as credits in the Adjustments section of the CLEC's bill. Such billing adjustments are reported in Measure 34 (Billing Accuracy).
41. Vycera is a reseller. Accordingly, as it does for all resale billing information, Pacific provides its billing at the BTN level. In addition, resale CLECs are provided with an Enhanced *Summary* Billing Account (“ESBA”) statement, which summarizes the

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<sup>9</sup> Three minor incidental performance shortfalls occurred for Measure 32 for the following submeasures: Submeasure 32-00200 (Recurring Charge Completeness – Resale) fell short of the parity standard in July by less than 1%. Performance for CLECs was 93.11% for CLECs as compared to 94.09% for Pacific's retail operations. Submeasure 32-00300 (Recurring Charge Completeness – UNE POTS) was less than the parity standard in May and September 2002. May results did show a difference of about 8% (82.40% for CLECs vs. 90.21% for Pacific retail), but the shortfall in September was less than 1% (91.32% for CLECs vs. 92.25% for Pacific retail).

<sup>10</sup> It is possible that Pacific and a CLEC, under certain circumstances, could agree as part of the settlement of a billing dispute, to exclude billing credits from reported Performance Measures. In fact, such a settlement could be made *in* full recognition that the credit does not indicate that the prior bill was inaccurate, but rather results from the parties' resolution of a dispute over the precise terms and conditions of the parties' interconnection agreement. Further, any agreement to exclude credits from the reported Performance Measures would only be made by mutual agreement of the parties.

CLEC's monthly recurring, non-recurring and usage charges into one bill. Manual adjustments to resale bills generally are done based on the BTN. However, in certain circumstances– for instance, when the relevant BTN has been disconnected, changed, or moved, and there accordingly is no billing record against which the credit can be applied – the manual adjustment to the CLEC bill is made at the ESBA level.

42. Because ESBA-level credits are not made against individual BTN bills, they are not automatically captured in performance measurement data. Accordingly, ESBA-level adjustments are manually added to Measure 34 results, based upon adjustment information provided by the LSC billing team to Pacific's performance measurement group. However, in September 2002, information on ESBA level manual adjustments applied to Vycera's billing was not provided to the performance measurement group and, therefore were not reported in Measure 34 results. Pacific is evaluating the impact of this oversight on the reported results for Measure 34, and, based on its performance results restatement guidelines, will determine if a restatement of September results for Measure 34 is appropriate. Additionally, the LSC has implemented changes to its process documentation and strengthened its business controls to ensure that ESBA adjustments are reported to the performance measurement group consistently going forward.

## **CONCLUSION**

43. Pursuant to Part II. E. of the Consent Decree entered into between SBC Communications Inc. and the Federal Communications Commission, released on

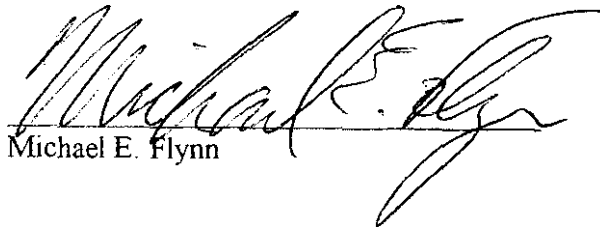
May 28, 2002, *see* Order, *In the Matter of SBC Communications, Inc.*, 17 FCC Rcd 10780(2002), the undersigned hereby affirm that he or she has (1) received the training SBC is obligated to provide to all SBC FCC Representatives; (2) reviewed and understand the SBC Compliance Guidelines; (3) signed an acknowledgment of my training and review and understanding of the Guidelines; and (4) complied with the requirements of the SBC Compliance Guidelines.

44. This concludes our affidavit.

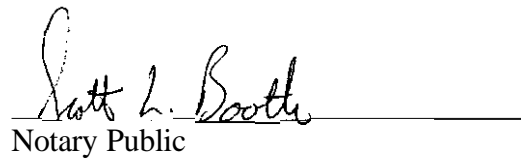
STATE OF CALIFORNIA

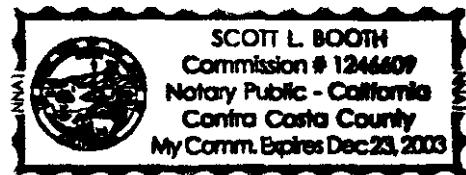
COUNTY OF CONTRA COSTA

I declare under penalty of perjury that the foregoing is true and correct

  
Michael E. Flynn

Subscribed and sworn to before me this 18<sup>th</sup> day of November, 2002

  
Notary Public



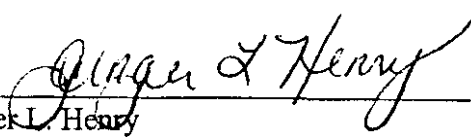


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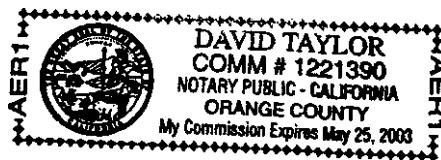
COUNTY OF ORANGE

I declare under penalty of perjury that the foregoing is true and correct.

  
Ginger L. Henry


Subscribed and ~~sworn~~ to before me this 31<sup>st</sup> day of October, 2002

  
Notary Public



**STATE OF CALIFORNIA**)  
**COUNTY OF CONTRA COSTA**)

**I declare under penalty of perjury that the foregoing is true and correct**

  
Gwen S. Johnson

Subscribed and sworn to before me this 29 day of October, 2002

Scott L. Barth  
Notary Public

